



**Massachusetts Bay
Transportation Authority**

Real Estate Service Operations

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MBTA Board of Directors
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Real Estate Services Scope Overview

- Since 1996, the MBTA has contracted for Real Estate Services through third party consultants. The scope of work has included:
 - Analyzing the MBTA's real estate portfolio to generate recurring and non-recurring non-fare revenue, including through facility leases and licenses, and ground leasing or selling MBTA land or air rights
 - Managing all leases and licenses on MBTA owned properties, maintaining the tenant ledger, collecting rents, handling accounting
 - Negotiating and managing master lease agreements on larger facilities (e.g., South Station)
 - Managing the canvassing process for licenses to access or use MBTA property
 - Creating and maintaining a comprehensive GIS mapping/database system for all MBTA properties
 - Managing unique programs such as pushcarts and badging for subway performers.
- This RFP included an expanded scope:
 - Seeking and negotiating lease terms for space to support the MBTA's operating needs
 - Tracking and managing leases where the MBTA is the tenant
 - Expanded responsibilities regarding adherence to insurance requirements
 - Greater focus on value enhancement versus sale transactions.



RFP Overview: Real Estate Services

Current contract has been in place since August 1, 2014: (Five (5) year original term, with (1) one two-year option, and (1) one-year additional extension), ending July 31, 2022

The Authority released a best value RFP procurement on the State COMMBUYS bidding platform reaching over 327 companies (01/26/2022). We sent specific e-mail notice of the RFP to 14 companies, and 9 firms participated in our pre-bid conference.

Compensation for the Scope of Work includes:

- A Base Fee for the fundamental asset management functions.
- Commissions on long- and short-term property transactions.
- On-Call consulting services: Advisory services, special projects.
- Reimbursable costs.

RFP Term: Five (5) Years with Two (2) two-year renewal options. Commencing August 1, 2022.



RFP Outcome

- A virtual Pre-Bid meeting was conducted, and nine companies were in attendance.
- Only three companies participated in the Q & A of the bid.
- Greystone & Co was the only company responding to the RFP procurement. They are the incumbent vendor on the account.
- Follow up review/interviews with other companies indicated that the wide range of services required was beyond their abilities and staffing, and they experienced difficulty in securing consultants to bridge the gap.
- Greystone has partnered with Cushman and Wakefield for disposition, acquisitions and brokerage services; Go Consulting Services (a WBE firm) for GIS services; and Ashlin Global Capital (an MBE firm) for insurance compliance services.
- Greystone's experience includes current contracts with NY Metropolitan Transportation Authority and NJ Transit.
- MBTA conducted three (3) Best and Final Offer (BAFO) discussions culminating in a \$3,265,855 savings from initial BID proposal.



RFP Technical and Pricing Response

Base Real Estate Services Fee			
	Original Proposal	4/27/2022 Proposal	6/2/2022 Proposal
Year 1	\$ 4,252,725.00	\$ 4,127,725.00	\$3,641,000.00
Year 2	\$ 4,359,043.00	\$ 4,230,918.00	\$3,722,922.00
Year 3	\$ 4,468,019.00	\$ 4,336,691.00	\$3,806,688.00
Year 4	\$ 4,579,720.00	\$ 4,445,108.00	\$3,892,339.00
Year 5	\$ 4,649,213.00	\$ 4,556,236.00	\$3,979,916.00
Total	\$ 22,308,720.00	\$ 21,696,678.00	\$19,042,865.00
Difference from Original Proposal Fee			(\$3,265,855.00)

Commission Schedule Long Term Leases and Sales			
Sale/lease payment	Original Proposal	4/27 Proposal	6/2 Proposal
\$0-\$750,000	9%	9%	8%
\$750,001-\$1,499,999	8%	8%	7%
\$1,500,00-\$2,749,000	7%	7%	6%
\$2,750,000-\$4,999,999	6%	6%	5%
\$5,000,000 - \$9,999,999	5%	5%	4%
\$10,000,000 - \$19,999,999	4%	4%	1%
\$20,000,000 - up	3%	3%	1%

Commissions on Short-Term Property Transactions, < 5 years
8% of the compensation payable to the MBTA in the first year of the lease,
3% of the compensation payable to the MBTA in the each of the remaining years of the lease, license, or easement

- Total Five (5) Year contract base fee is \$19,042,865
- First year base fee is \$3,641,000
- Increases by 2.25% per year (previous contract increased at 2.5% per year)
- Previous contract: \$2,850,000 final year base fee
- Base fee increase of 27% over the last year of the current contract is attributable to the expanded scope, increased costs due to inflation, additional staffing and additional consultants.
- Commissions/additional services payments have averaged \$434,722 over the past five years.
- Disadvantaged/Diverse Business Enterprise Commitment: at least 9% of base fee value, \$1,699,789 over the five (5) years. Greystone's current team includes 2 WBE subcontractors.



Staff Summary Recommends Award: Greystone CO., INC

- The request is for the MBTA Board of Directors to approve and authorize the General Manager to execute a five (5) year contract with two (2) two-year options with Greystone Co., Inc for RFP No. 2-22 Real Estate Services to not exceed \$19,042,865 for the base fee in the initial 5 year term.

